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Southern District of New York*

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**31 CHARGED WITH FEDERAL HOUSING FRAUD
THAT COST THE GOVERNMENT MORE THAN \$650,000**

JAMES B. COMEY, the United States Attorney for the Southern District of New York; RUTH A. RITZEMA the Special Agent in Charge of the New York/New Jersey Office of the Inspector General of the U.S. Department of Housing and Urban Development ("HUD"); and CHARLES A. COLA, the Commissioner of the Yonkers Police Department, announced that 31 defendants were charged with obtaining private housing rental subsidies to which they were not entitled. Twenty-seven were arrested and 4 others were being sought.

The defendants were charged in 14 separate criminal Complaints unsealed in White Plains federal court and were presented in Court today before United States Magistrate Judge GEORGE A. YANTHIS. The defendants' fraud is alleged to have cost the federal government more than \$650,000.

The Complaints concern the fraudulent receipt of rent subsidies in connection with the "Section 8" rental assistance program. Depending on the person's income, HUD will pay a portion of the monthly rent directly to the landlord on behalf of the tenant. This program is funded by the federal government through HUD and administered for HUD in Yonkers, New York, by the Yonkers Municipal Housing Authority ("YMHA"). Under this program, low-income individuals who meet certain eligibility requirements are approved for Section 8 rental subsidies. The defendants, however, allegedly concealed their income or other material matters so as to become eligible for the subsidies.

The defendants - FAYROZ AHMAD ASSAF, CARMEN GISELLE BAEZ, ALFREDO BELTRAN, BEBSY BELTRAN, VICTORIA BELTRAN, HILDA CONCEPCION, JUANA DIAZ, WILFREDO DIAZ, NELSON HENRIQUEZ, SHIRLEY JONES, LATONIA LAWSON, AMERA MAKHLOUF, ABDALLAH MAKHLOUF, LAMYA MAKHLOUF, CIRILO MATA, JOEL MATA, PAULA MATA, ANNA MEDINA, BILAL IBRAHIM MEHDAWI, SALVATORE MOLITERNO, ANGELA MONTAS, DAVE MORRIS, CELESTE PEIXOTO, ENRIQUE PEREZ, SHELLI PHOENIX, AMAL

RABADI, DAIFALLAH RABADI, NOUF RABADI, AUGUSTIN SCHARRON, AMANDA DEL CARMEN SOTO and JEANETTE TORRES - are each charged with concealing income, or aiding and abetting in the concealing of income, from the YMHA ("NYCHA") resulting in their receipt of Section 8 subsidies to which they were not entitled.

If convicted, FAYROZ AHMAD ASSAF, CARMEN GISELLE BAEZ, HILDA CONCEPCION, JUANA DIAZ, WILFREDO DIAZ, NELSON HENRIQUEZ, SHIRLEY JONES, LATONIA LAWSON, AMERA MAKHLOUF, ABDALLAH MAKHLOUF, LAMYA MAKHLOUF, CIRILO MATA, JOEL MATA, PAULA MATA, ANNA MEDINA, BILAL IBRAHIM MEHDAMI, SALVATORE MOLITERNO, ANGELA MONTAS, DAVE MORRIS, ENRIQUE PEREZ, SHELLI PHOENIX, AMAL RABADI, DAIFALLAH RABADI, NOUF RABADI, AUGUSTIN SCHARRON, AMANDA DEL CARMEN SOTO and JEANETTE TORRES each face a maximum sentence of 10 years' imprisonment.

The remaining defendants—ALFREDO BELTRAN, BEBSY BELTRAN, VICTORIA BELTRAN and CELESTE PEIXOTO—were charged with conspiracy to defraud HUD. The scheme allegedly disguised the true owner of the property that was being rented as a Section 8 household, who was VICTORIA BELTRAN, so that her children ALFREDO BELTRAN and BEBSY BELTRAN could fraudulently receive Section 8 subsidies.

CELESTE PEIXOTO, a real estate agent who owns and operates Zeca Realty in Westchester County, New York, is charged

with participating in the conspiracy by depositing the Section 8 payments addressed to the former owner of the same property into a bank account which she controlled even though she knew, as the real estate agent who handled the sale, that the property was not being rented as claimed but had been sold to VICTORIA BELTRAN. The conspiracy charges against these defendants carry a maximum penalty of 5 years' imprisonment.

The investigation began more than a year ago as a result of a referral to the Office of Inspector General of HUD by Peter Smith, the Executive Director of the YMHA, which had been investigating the eligibility of certain of its recipients of Section 8 subsidies. The YMHA also had been looking into the activities of Edward Zamborsky, former supervisor of maintenance of the Mulford Gardens Property owned by YMHA, and a contractor, Norman Scotland, to whom he awarded bids. Zamborsky and Scotland have pled guilty to corruption charges involving programs receiving federal funds arising out of Scotland's providing construction services for Zamborsky's personal properties in return for awards of inflated prices on contracts with the YMHA. Both are scheduled for sentence on June 27, 2003, before United States District Judge NAOMI REICE BUCHWALD.

Mr. COMEY praised the investigative efforts of the Office of Inspector General for HUD, the investigators of YMHA,

the Yonkers Police Department and the U.S. Marshals Service.

Assistant United States Attorneys JEFFREY UDELL,
JONATHAN LEIKEN, STEVEN FELDMAN, MARC O. LITT and JACOB BUCHDAHL
are in charge of the prosecutions.

The charges in the Complaints are merely accusations,
and the defendants are presumed innocent unless and until proven
guilty.

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